

# SENATE BILL REPORT

## SB 6359

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As Passed Senate, February 12, 1998

**Title:** An act relating to filing of affiliated transactions with the utilities and transportation commission.

**Brief Description:** Requiring companies that seek to contract with an affiliated interest to file with the utilities and transportation commission.

**Sponsors:** Senators Finkbeiner, Rossi, Brown and Jacobsen; by request of Utilities & Transportation Commission.

**Brief History:**

**Committee Activity:** Energy & Utilities: 1/20/98, 2/2/98 [DP].  
Passed Senate, 2/12/98, 48-0.

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### SENATE COMMITTEE ON ENERGY & UTILITIES

**Majority Report:** Do pass.

Signed by Senators Finkbeiner, Chair; Hochstatter, Vice Chair; Brown, Jacobsen, Rossi, T. Sheldon and Strannigan.

**Staff:** Karen Kirkpatrick (786-7403)

**Background:** Current law requires every public service company regulated by the Washington Utilities and Transportation Commission (WUTC) to receive approval from the commission on every affiliated interest transaction prior to the validity of the transaction. An affiliated interest transaction involves any business arrangement or contract between a company regulated by the WUTC and a related entity such as a subsidiary, division, parent, or other agency sharing principals or other resources.

The commission is requesting this legislation to relieve the burden on industry and the commission's corresponding workload.

**Summary of Bill:** The requirement for prior commission approval of affiliated interest transactions under specified conditions is eliminated. Companies must continue to file verified copies of contracts with any affiliated interest prior to the effective date of the contract or modification.

The commission is authorized to initiate an investigation, disapprove or amend the contract if it finds the company has failed to prove its reasonableness and consistency with the public interest.

Other clarifying and technical changes are made.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This legislation will streamline the regulatory process for both the Washington Utilities and Transportation Commission (WUTC) and the industry while still protecting captive ratepayers. It will bring the process in line with actual practice. Information will still be on file with the WUTC but will not require separate approval by WUTC.

**Testimony Against:** None.

**Testified:** PRO: Teresa Osinski, WUTC; Terry Vann, WITA.